

Exhibit 1

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

IN RE: VOLKSWAGEN “CLEAN DIESEL”
MARKETING, SALES PRACTICES, AND
PRODUCTS LIABILITY LITIGATION

MDL No. 2672 CRB (JSC)

CLASS ACTION

**[PROPOSED] JUDGMENT
APPROVING CLASS ACTION
SETTLEMENT**

_____/

This Document Relates To: Securities Actions
City of St. Clair Shores, 15-1228 (E.D. Va.)
Travalio, 15-7157 (D.N.J.)
George Leon Family Trust, 15-7283 (D.N.J.)
Charter Twp. of Clinton, 15-13999 (E.D. Mich.)
Wolfenbarger, 15-326 (E.D. Tenn.)

WHEREAS, securities class actions styled *City of St. Clair Shores Police and Fire Ret. Sys. v. Volkswagen AG, et al.*, 15-cv-1228 (E.D. Va.), *Travalio, et al. v. Volkswagen AG, et al.*, 15-cv-7157 (D.N.J.), *The George Leon Family Trust v. Volkswagen AG, et al.*, 15-cv-7283 (D.N.J.), *Charter Twp. of Clinton Police and Fire Ret. Sys. v. Volkswagen AG, et al.*, 15-cv-13999 (E.D. Mich.), and *Wolfenbarger v. Volkswagen AG, et al.*, 15-cv-326 (E.D. Tenn.) were consolidated with and are pending in this Court under the caption *In re: Volkswagen “Clean Diesel” Marketing, Sales Practices, and Products Liability Litigation*, MDL No. 2672 CRB (JSC) (the “Action”);

WHEREAS, (a) Lead Plaintiff Arkansas State Highway Employees’ Retirement System (“ASHERS” or “Lead Plaintiff”) and named plaintiff Miami Police Relief and Pension Fund (“Miami Police,” and together with ASHERS, “Plaintiffs”), on behalf of themselves and the Settlement Class (defined below), and (b) defendants Volkswagen Aktiengesellschaft (“VWAG”), Volkswagen Group of America, Inc. (“VWGoA”), Volkswagen Group of America, Inc. d/b/a Volkswagen of America, Inc. (“VWoA”), Audi of America, Inc. (“AoA”), Martin Winterkorn, Michael Horn, and Herbert Diess (collectively, the “Defendants”; and together with Plaintiffs, the “Parties”) have entered into a Stipulation and Agreement of Settlement dated August 27, 2018 (the

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1 “Stipulation”), that provides for a complete dismissal with prejudice of the Released Plaintiffs’
2 Claims on the terms and conditions set forth in the Stipulation, subject to the approval of this Court
3 (the “Settlement”);

4 WHEREAS, unless otherwise defined in this Judgment, the capitalized terms herein shall
5 have the same meaning as they have in the Stipulation;

6 WHEREAS, by Order dated November 28, 2018 (the “Preliminary Approval Order”), this
7 Court: (a) preliminarily approved the Settlement; (b) certified the Settlement Class solely for
8 purposes of effectuating the Settlement; (c) ordered that notice of the proposed Settlement be
9 provided to potential Settlement Class Members; (d) provided Settlement Class Members with the
10 opportunity either to exclude themselves from the Settlement Class or to object to the proposed
11 Settlement; and (e) scheduled a hearing regarding final approval of the Settlement;

12 WHEREAS, due and adequate notice has been given to the Settlement Class;

13 WHEREAS, the Court conducted a hearing on May 10, 2019 (the “Settlement Hearing”)
14 to consider, among other things, (a) whether the terms and conditions of the Settlement are fair,
15 reasonable, and adequate to the Settlement Class, and should therefore be approved; and (b)
16 whether a judgment should be entered dismissing the Action with prejudice as against the
17 Defendants; and

18 WHEREAS, the Court having reviewed and considered the Stipulation, all papers filed and
19 proceedings held herein in connection with the Settlement, all oral and written comments received
20 regarding the Settlement, and the record in the Action, and good cause appearing therefor;

21 IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

22 1. **Jurisdiction** – The Court has jurisdiction over the subject matter of the Action, and
23 all matters relating to the Settlement, as well as personal jurisdiction over all of the Parties and
24 each of the Settlement Class Members.

2. **Incorporation of Settlement Documents** – This Judgment incorporates and makes a part hereof: (a) the Stipulation filed with the Court on August 28, 2018; and (b) the Notice and the Summary Notice, both of which were filed with the Court on April 5, 2019.

3. **Class Certification for Settlement Purposes** – The Court hereby affirms its determinations in the Preliminary Approval Order certifying, for the purposes of the Settlement only, the Action as a class action pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure on behalf of the Settlement Class consisting of all persons and entities in the U.S. or elsewhere who purchased or otherwise acquired VWAG Ordinary American Depositary Receipts (CUSIP: 928662303) and/or VWAG Preferred American Depositary Receipts (CUSIP: 928662402) from November 19, 2010 through January 4, 2016, inclusive (the “Class Period”), and who were allegedly damaged thereby. Excluded from the Settlement Class are: (i) Defendants; (ii) any person who was an Officer or director of VWAG, VWGoA, VWoA, or AoA during the Class Period; (iii) the Immediate Family Members of all individual persons excluded in (i) or (ii); (iv) the parents, subsidiaries, and affiliates of VWAG, VWGoA, VWoA, or AoA; (v) any entity in which any person or entity excluded in (i), (ii), (iii) or (iv) has, or had during the Class Period, a controlling interest; and (vi) the legal representatives, heirs, affiliates, successors, or assigns of any such excluded person or entity. Also excluded from the Settlement Class are the persons and entities listed on Exhibit 1 hereto who are excluded from the Settlement Class pursuant to request. For the avoidance of doubt, VWAG ordinary and preferred shares are not eligible Settlement Class securities, and purchases or other acquisitions of those securities do not establish membership in the Settlement Class.

4. **Adequacy of Representation** – Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of the Settlement only, the Court hereby affirms its determinations in the Preliminary Approval Order certifying Plaintiffs as Class Representatives for the Settlement Class and appointing Lead Counsel as Class Counsel for the Settlement Class. Plaintiffs and Lead Counsel have fairly and adequately represented the Settlement Class both in terms of litigating the

1 Action and for purposes of entering into and implementing the Settlement and have satisfied the
2 requirements of Federal Rules of Civil Procedure 23(a)(4) and 23(g), respectively.

3 5. **Notice** – The Court finds that the dissemination of the Notice and the publication
4 of the Summary Notice: (a) were implemented in accordance with the Preliminary Approval
5 Order; (b) constituted the best notice practicable under the circumstances; (c) constituted notice
6 that was reasonably calculated, under the circumstances, to apprise Settlement Class Members of
7 (i) the pendency of the Action; (ii) the effect of the proposed Settlement (including the Releases
8 to be provided thereunder); (iii) Lead Counsel’s motion for an award of attorneys’ fees and
9 reimbursement of Litigation Expenses; (iv) their right to object to any aspect of the Settlement, the
10 Plan of Allocation, and/or Lead Counsel’s motion for attorneys’ fees and reimbursement of
11 Litigation Expenses; (v) their right to exclude themselves from the Settlement Class; and (vi) their
12 right to appear at the Settlement Hearing; (d) constituted due, adequate, and sufficient notice to all
13 persons and entities entitled to receive notice of the proposed Settlement; and (e) satisfied the
14 requirements of Rule 23 of the Federal Rules of Civil Procedure, the United States Constitution
15 (including the Due Process Clause), the Private Securities Litigation Reform Act of 1995, 15
16 U.S.C. § 78u-4, as amended, and all other applicable law and rules.

17 6. **Final Settlement Approval and Dismissal of Claims** – Pursuant to, and in
18 accordance with, Rule 23 of the Federal Rules of Civil Procedure, this Court hereby fully and
19 finally approves the Settlement set forth in the Stipulation in all respects (including, without
20 limitation: the amount of the Settlement; the Releases provided for therein; and the dismissal with
21 prejudice of the claims asserted against Defendants in the Action), and finds that the Settlement is,
22 in all respects, fair, reasonable, and adequate to the Settlement Class. Two nominal objections to
23 the Settlement have been received, which the Court has considered and found to be without merit.
24 The Parties are directed to implement, perform and consummate the Settlement in accordance with
25 the terms and provisions contained in the Stipulation.

1 7. The Action and all of the claims asserted against Defendants in the Action by
2 Plaintiffs and the other Settlement Class Members are hereby dismissed with prejudice. The
3 Parties shall bear their own costs and expenses, except as otherwise expressly provided in the
4 Stipulation.

5 8. **Binding Effect** – The terms of the Stipulation and of this Judgment shall be forever
6 binding on Defendants, Plaintiffs and all other Settlement Class Members (regardless of whether
7 or not any individual Settlement Class Member submits a Claim Form or seeks or obtains a
8 distribution from the Net Settlement Fund), as well as their respective heirs, executors,
9 administrators, predecessors, successors, and assigns in their capacities as such only, and any other
10 person or entity legally entitled to bring Released Plaintiffs' Claims on their behalf in such capacity
11 only. The persons and entities listed on Exhibit 1 hereto are excluded from the Settlement Class
12 pursuant to request and are not bound by the terms of the Stipulation or this Judgment.

13 9. **Releases** – The Releases set forth in paragraphs 5 and 6 of the Stipulation, together
14 with the definitions contained in paragraph 1 of the Stipulation relating thereto, are expressly
15 incorporated herein in all respects. The Releases are effective as of the Effective Date.
16 Accordingly, this Court orders that:

17 (a) Without further action by anyone, and subject to paragraph 10 below, upon
18 the Effective Date of the Settlement, Plaintiffs and each of the other Settlement Class Members,
19 on behalf of themselves, and their respective heirs, executors, administrators, predecessors,
20 successors, and assigns in their capacities as such only, and on behalf of any other person or entity
21 legally entitled to bring Released Plaintiffs' Claims on behalf of the respective Settlement Class
22 Member in such capacity only, shall be deemed to have, and by operation of law and of this
23 Judgment shall have, fully, finally, and forever compromised, settled, released, resolved,
24 relinquished, waived, and discharged each and every Released Plaintiffs' Claim against
25 Defendants and the Defendants' Releasees, and shall forever be barred and enjoined from
26 commencing, instituting, maintaining, prosecuting, or continuing to prosecute any or all of the

Released Plaintiffs' Claims against any of the Defendants or the Defendants' Releasees. This Release shall not apply to any of the Excluded Plaintiffs' Claims (as that term is defined in paragraph 1(pp) of the Stipulation).

(b) Without further action by anyone, and subject to paragraph 10 below, upon the Effective Date of the Settlement, Defendants, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, and assigns in their capacities as such only, and on behalf of any other person or entity legally entitled to bring Released Defendants' Claims on behalf of the respective Defendant in such capacity only, shall be deemed to have, and by operation of law and of this Judgment shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged each and every Released Defendants' Claim against Plaintiffs and the other Plaintiffs' Releasees, and shall forever be barred and enjoined from commencing, instituting, maintaining, prosecuting, or continuing to prosecute any or all of the Released Defendants' Claims against Plaintiffs or any of the other Plaintiffs' Releasees. This Release shall not apply to any of the Excluded Defendants' Claims (as that term is defined in paragraph 1(oo) of the Stipulation).

10. Notwithstanding paragraphs 9(a) – (b) above, nothing in this Judgment shall bar any action by any of the Parties to enforce or effectuate the terms of the Stipulation or this Judgment.

11. **Rule 11 Findings** – The Court finds and concludes that the Parties and their respective counsel have complied in all respects with the requirements of Rule 11 of the Federal Rules of Civil Procedure in connection with the institution, prosecution, defense, and settlement of the Action.

12. **No Admissions** – Neither this Judgment, the Stipulation (whether or not consummated), including the exhibits thereto and the Plan of Allocation contained therein (or any other plan of allocation that may be approved by the Court), the negotiations leading to the execution of the Stipulation, nor any proceedings taken or submissions made pursuant to or in

1 connection with the Stipulation and/or approval of the Settlement (including any arguments
2 proffered in connection therewith):

3 (a) shall be offered against any of the Defendants or the Defendants' Releasees
4 as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or
5 admission by any of the Defendants or the Defendants' Releasees with respect to the truth of any
6 fact alleged by Plaintiffs or the validity of any claim that was or could have been asserted or the
7 deficiency of any defense that has been or could have been asserted in this Action or in any other
8 litigation, or of any liability, negligence, fault, or other wrongdoing of any kind of any of the
9 Defendants or the Defendants' Releasees or in any way referred to for any other reason as against
10 any of the Defendants or the Defendants' Releasees, in any arbitration proceeding or other civil,
11 criminal, regulatory, administrative, or other action or proceeding, other than such proceedings as
12 may be necessary to effectuate the provisions of the Stipulation;

13 (b) shall be offered against Plaintiffs or any of the Plaintiffs' Releasees, as
14 evidence of, or construed as, or deemed to be evidence of any presumption, concession, or
15 admission by Plaintiffs or any of the Plaintiffs' Releasees that any of their claims are without merit,
16 that any of the Defendants or the Defendants' Releasees had meritorious defenses, or that damages
17 recoverable under the Complaint would not have exceeded the Settlement Amount or with respect
18 to any liability, negligence, fault, or wrongdoing of any kind, or in any way referred to for any
19 other reason as against Plaintiffs or any of the Plaintiffs' Releasees, in any arbitration proceeding
20 or other civil, criminal, regulatory, administrative, or other action or proceeding, other than such
21 proceedings as may be necessary to effectuate the provisions of the Stipulation; or

22 (c) shall be construed against any of the Releasees as an admission, concession,
23 or presumption that the consideration to be given under the Settlement represents the amount that
24 could be or would have been recovered after trial;

1 *provided, however*, that the Parties and the Releasees and their respective counsel may refer to this
2 Judgment and the Stipulation to effectuate the protections from liability granted hereunder and
3 thereunder or otherwise to enforce the terms of the Settlement.

4 13. **Retention of Jurisdiction** – Without affecting the finality of this Judgment in any
5 way, this Court retains continuing and exclusive jurisdiction over: (a) the Parties for purposes of
6 the administration, interpretation, implementation, and enforcement of the Settlement; (b) the
7 disposition of the Settlement Fund; (c) any motion for an award of attorneys’ fees and/or Litigation
8 Expenses by Lead Counsel in the Action that will be paid from the Settlement Fund; (d) any motion
9 to approve the Plan of Allocation; (e) any motion to approve the Class Distribution Order; and
10 (f) the Settlement Class Members for all matters relating to the Action.

11 14. Separate orders shall be entered regarding approval of a plan of allocation and the
12 motion of Lead Counsel for an award of attorneys’ fees and reimbursement of Litigation Expenses.
13 Such orders shall in no way affect or delay the finality of this Judgment and shall not affect or
14 delay the Effective Date of the Settlement.

15 15. **Modification of the Agreement of Settlement** – Without further approval from
16 the Court, Plaintiffs and Defendants are hereby authorized to agree to and adopt such amendments
17 or modifications of the Stipulation or any exhibits attached thereto to effectuate the Settlement
18 that: (a) are not materially inconsistent with this Judgment; and (b) do not materially limit the
19 rights of Settlement Class Members in connection with the Settlement. Without further order of
20 the Court, Plaintiffs and Defendants may agree to reasonable extensions of time to carry out any
21 provisions of the Settlement.

22 16. **Termination of Settlement** – If the Settlement is terminated as provided in the
23 Stipulation or the Effective Date of the Settlement otherwise fails to occur, this Judgment shall be
24 vacated, rendered null and void, and be of no further force and effect, except as otherwise provided
25 by the Stipulation, and this Judgment shall be without prejudice to the rights of Plaintiffs, the other
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1 Settlement Class Members, and Defendants, and the Parties shall revert to their respective
2 positions in the Action as of July 19, 2018, as provided in the Stipulation.

3 17. **Entry of Final Judgment** – There is no just reason to delay the entry of this
4 Judgment as a final judgment in this Action. Accordingly, the Clerk of the Court is expressly
5 directed to immediately enter this final judgment in this Action.

6 SO ORDERED this _____ day of _____, 2019.

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9 The Honorable Charles R. Breyer
10 United States District Judge
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Exhibit 1**List of Persons and Entities Excluded from the Settlement Class Pursuant to Request**

Number	Name	City	State/ Province	Country
1	Alfredo Kim Zaragoza III	Tracy	CA	USA
2	Roderick Kenneth MacLean Jr Revocable Trust, dated 9/18/2016 Roderick Kenneth MacLean Jr. Trustee	Wichita	KS	USA
3	Edwin Hodgson	Spring Green	WI	USA
4	Michael T. Trick	Essex	VT	USA
5	Samuel Joseph Payne	Bettendorf	IA	USA
6	Richard A. Crocco	Oneonta	NY	USA
7	Tristan Alexander Beulah	Vancouver	BC	CAN
8	James W. Long and Susan K. Long	Cincinnati	OH	USA
9	Peter Barthel	Columbia	SC	USA
10	Anthony L. Iaquinto	Westlake	OH	USA
11	Susan V. Clarke	Califon	NJ	USA
12	Jan Ruby and Mary Thomson	Toronto	ON	CAN
13	Gordon B. Kidder	Conesus	NY	USA
14	William M. Woodruff	Laurence Harbor	NJ	USA
15	Lawrence Chandler	Montreal	QC	CAN
16	Charlotte W. Barsano Living Trust Charlotte Wallace Barsano, Trustee	Chicago	IL	USA